

## **SUBSTANTIAL IMPROVEMENT**

### **DEFINITIONS:**

**Substantial improvement** shall mean any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty percent of the market value of the structure before the start of construction of the improvement. Substantial improvement shall include structures which have incurred substantial damage, regardless of the actual repair work performed. The term shall not, however, include either (i) any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions, or (ii) any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation of a historic structure.

**Start of construction** shall mean either the first placement of permanent construction of a structure on a site, such as the pouring of slabs or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation, or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not as part of the main structure. For a substantial improvement, the actual start of construction shall mean the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimension of the building.

### **The Problem**

- Currently our ordinances allow non-substantial improvements within a floodplain to be preformed without any tracking or record keeping of improvement dollar values.
- It is possible for a home or business owner to repeatedly improve his or her structure up to 49% of its value as many times as they like without having to built to current floodplain standards.
- Each new improvement is based against the original value of the structure plus any improvements already completed.
- Initial Structure Value= \$100000  
1<sup>st</sup> Non-substantial improvement value=\$49000  
New Structure Value=\$149000  
2<sup>nd</sup> Non-substantial Improvement can equal up to=\$73000  
and so on

- Theoretically you could end up with a multimillion dollar structure which is built in compliance with current ordinances but is located below Base Flood Elevation, and has no flood protection.

### **Frequency**

I receive on average 2-3 non-substantial improvement permits each month. Most are just interior refinishes, decks, or small additions to houses.

### **Possible Solutions**

- 1) Designate an arbitrary Start of Construction date(*date ordinance would be adopted*) and begin to track all improvements made to structures after that date. Once a building is improved to 50% of the value structure on the Start of Construction date the entire building will have to be brought into compliance with floodplain standards.
- 2) Lower the threshold of substantial improvement to 25% of pre-improvement value or lower.
- 3) Change ordinance so that any lateral addition must be built into compliance with floodplain regulation regardless of value. Leave a 49% threshold for interior remodels and vertical additions only.